

<i>SERFF Tracking Number:</i>	<i>CHUB-125329120</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Federal Insurance Company</i>	<i>State Tracking Number:</i>	<i>AR-PC-07-026604</i>
<i>Company Tracking Number:</i>	<i>DO AR0037910R01</i>		
<i>TOI:</i>	<i>17.1 Other Liability - Claims Made Only</i>	<i>Sub-TOI:</i>	<i>17.1006 Directors &amp; Officers Liability</i>
<i>Product Name:</i>	<i>Health Care Portfolio</i>		
<i>Project Name/Number:</i>	<i>Separate Defense Costs Endorsements/00379</i>		

## Filing at a Glance

Company: Federal Insurance Company

Product Name: Health Care Portfolio

TOI: 17.1 Other Liability - Claims Made Only

Sub-TOI: 17.1006 Directors & Officers Liability

Filing Type: Rate

SERFF Tr Num: CHUB-125329120 State: Arkansas

SERFF Status: Closed

Co Tr Num: DO AR0037910R01

Co Status:

Authors: Donna Daigle, Lois

Schroeder, Christina Cresenzi

Date Submitted: 10/30/2007

State Tr Num: AR-PC-07-026604

State Status:

Reviewer(s): Betty Montesi, Edith

Roberts, Brittany Yielding

Disposition Date: 10/31/2007

Disposition Status: Filed

Effective Date (New):

Effective Date (Renewal):

Effective Date Requested (New): On Approval

Effective Date Requested (Renewal): On Approval

## General Information

Project Name: Separate Defense Costs Endorsements

Project Number: 00379

Reference Organization: NA

Reference Title: NA

Filing Status Changed: 10/31/2007

State Status Changed: 10/31/2007

Corresponding Filing Tracking Number:

Filing Description:

Status of Filing in Domicile: Pending

Domicile Status Comments: just filed

Reference Number: NA

Advisory Org. Circular: NA

Deemer Date:

In accordance with the laws of the state of Arkansas, we are making this Rate filing for our program called Health Care Portfolio. This product was originally approved by your Department effective September 22, 2004 under our Filing Designation Number DO AR0023101R01.

A corresponding form filing is being filed under DO AR0037910F01. Enclosed are the following: Required State Forms (if applicable) Actuarial Memorandum Rating page

## Company and Contact

SERFF Tracking Number: CHUB-125329120 State: Arkansas  
Filing Company: Federal Insurance Company State Tracking Number: AR-PC-07-026604  
Company Tracking Number: DO AR0037910R01  
TOI: 17.1 Other Liability - Claims Made Only Sub-TOI: 17.1006 Directors & Officers Liability  
Product Name: Health Care Portfolio  
Project Name/Number: Separate Defense Costs Endorsements/00379

### Filing Contact Information

Donna Daigle, State Filing Analyst ddaigle@chubb.com  
82 Hopmeadow Street (800) 464-7965 [Phone]  
Simsbury, CT 06070-7683 (860) 408-2047[FAX]

### Filing Company Information

Federal Insurance Company CoCode: 20281 State of Domicile: Indiana  
202 Hall's Mill Road Group Code: 38 Company Type:  
P.O. Box 1650  
Whitehouse Station, NJ 08889-1650 Group Name: State ID Number:  
(908) 572-4726 ext. [Phone] FEIN Number: 13-1963496  
-----

### Filing Fees

Fee Required? Yes  
Fee Amount: \$100.00  
Retaliatory? No  
Fee Explanation: \$100 flat  
Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Federal Insurance Company	\$0.00	10/30/2007	

CHECK NUMBER	CHECK AMOUNT	CHECK DATE
00365341	\$100.00	10/23/2007

<i>SERFF Tracking Number:</i>	<i>CHUB-125329120</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Federal Insurance Company</i>	<i>State Tracking Number:</i>	<i>AR-PC-07-026604</i>
<i>Company Tracking Number:</i>	<i>DO AR0037910R01</i>		
<i>TOI:</i>	<i>17.1 Other Liability - Claims Made Only</i>	<i>Sub-TOI:</i>	<i>17.1006 Directors &amp; Officers Liability</i>
<i>Product Name:</i>	<i>Health Care Portfolio</i>		
<i>Project Name/Number:</i>	<i>Separate Defense Costs Endorsements/00379</i>		

## Correspondence Summary

### Dispositions

<b>Status</b>	<b>Created By</b>	<b>Created On</b>	<b>Date Submitted</b>
Filed	Edith Roberts	10/31/2007	10/31/2007

*SERFF Tracking Number:*

*CHUB-125329120*

*State:*

*Arkansas*

*Filing Company:*

*Federal Insurance Company*

*State Tracking Number:*

*AR-PC-07-026604*

*Company Tracking Number:*

*DO AR0037910R01*

*TOI:*

*17.1 Other Liability - Claims Made Only*

*Sub-TOI:*

*17.1006 Directors & Officers Liability*

*Product Name:*

*Health Care Portfolio*

*Project Name/Number:*

*Separate Defense Costs Endorsements/00379*

## **Disposition**

Disposition Date: 10/31/2007

Effective Date (New):

Effective Date (Renewal):

Status: Filed

Comment:

<i>SERFF Tracking Number:</i>	<i>CHUB-125329120</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Federal Insurance Company</i>	<i>State Tracking Number:</i>	<i>AR-PC-07-026604</i>
<i>Company Tracking Number:</i>	<i>DO AR0037910R01</i>		
<i>TOI:</i>	<i>17.1 Other Liability - Claims Made Only</i>	<i>Sub-TOI:</i>	<i>17.1006 Directors &amp; Officers Liability</i>
<i>Product Name:</i>	<i>Health Care Portfolio</i>		
<i>Project Name/Number:</i>	<i>Separate Defense Costs Endorsements/00379</i>		

An error occurred rendering Disposition 125292617: null.

SERFF Tracking Number:	CHUB-125329120	State:	Arkansas
Filing Company:	Federal Insurance Company	State Tracking Number:	AR-PC-07-026604
Company Tracking Number:	DO AR0037910R01		
TOI:	17.1 Other Liability - Claims Made Only	Sub-TOI:	17.1006 Directors & Officers Liability
Product Name:	Health Care Portfolio		
Project Name/Number:	Separate Defense Costs Endorsements/00379		

## Rate Information

Rate data applies to filing.

<b>Filing Method:</b>	Prior approval
<b>Rate Change Type:</b>	Neutral
<b>Overall Percentage of Last Rate Revision:</b>	Neutral
<b>Effective Date of Last Rate Revision:</b>	
<b>Filing Method of Last Filing:</b>	prior approval

## Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Premium:	Maximum % Change (where required):	Minimum % Change (where required):
Federal Insurance Company	%	%				%	%

<i>SERFF Tracking Number:</i>	<i>CHUB-125329120</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Federal Insurance Company</i>	<i>State Tracking Number:</i>	<i>AR-PC-07-026604</i>
<i>Company Tracking Number:</i>	<i>DO AR0037910R01</i>		
<i>TOI:</i>	<i>17.1 Other Liability - Claims Made Only</i>	<i>Sub-TOI:</i>	<i>17.1006 Directors &amp; Officers Liability</i>
<i>Product Name:</i>	<i>Health Care Portfolio</i>		
<i>Project Name/Number:</i>	<i>Separate Defense Costs Endorsements/00379</i>		

## Rate/Rule Schedule

<b>Review Status:</b>	<b>Exhibit Name:</b>	<b>Rule # or Page #:</b>	<b>Rate Action</b>	<b>Previous State Filing Attachments Number:</b>
Filed	HCP D&O Additional Limit	N/A	New	HCP D&O Additional Limit Rating.pdf
Filed	HCP SDC Rating	N/A	New	HCP SDC Rating.pdf

# Federal Insurance Company

## Health Care Portfolio Rate Plan

### **Additional Limit of Liability Dedicated for Executives**

\$500.00

When additional limit of liability for executives is selected, the additional premium will be added to the premium for the Executive Liability, Entity Liability and Employment Practices Liability Coverage Section.



# Federal Insurance Company

## Health Care Portfolio Rate Plan

### Common Rating Section

#### Separate Defense Cost Limit for Small Companies

Companies meeting certain criteria (see below) are eligible to use one of the endorsements listed below to purchase either a \$500K or \$1 million separate defense cost limit for the liability coverage sections. These endorsements include:

14-02-13214: This version provides a separate defense costs limit for each of the liability coverage sections purchased.

14-02-13215: This version provides one separate defense costs limit for all liability coverages.

#### Pricing:

The SDC limit under these endorsements will be priced according to the following schedule.

Base Limit	Debit for Additional \$500K SDC Limit	Debit for Additional \$1M SDC Limit
\$1M	11%	20%
\$2M	8%	15%
\$3M	6%	10%
\$5M	4%	7%

#### SDC Premium Calculation:

The SDC premium calculation will apply separately to each liability coverage purchased. The total premium for each coverage section will be the sum of the SDC premium calculated below and the premium calculated in each coverage section.

14-02-13214: For each liability coverage purchased, apply the following calculation:

(Factor Selected from Table above) X (Liability Coverage Section Premium)

Note: The liability premium includes all the endorsement and optional coverage premiums calculated in the coverage section.

14-02-13215: For each liability coverage purchased, apply the following calculation:

(Factor Selected from Table above) X (Liability Coverage Section Premium) X

(Shared Limit Discount Factor from Table Below)

Note: The liability premium includes all the endorsement and optional coverage premiums calculated in the coverage section.

When a Separate Defense Cost limit is shared among liability coverages, the SDC premium will be discounted according to the following schedule.

	Shared Limit Discount
2 Liability Coverages	5.0%
3 Liability Coverages	7.5%
4 or more Liability Coverages	10.0%

## Federal Insurance Company

### Health Care Portfolio Rate Plan

**Criteria:** The criteria used to determine eligibility for these small company SDC limit endorsements are as follows:

- The Separate Defense Costs Coverage option offered in the Fiduciary Liability Coverage Section is not purchased.
- Revenues must be less than \$100 million, the number of employees must be less than 250, total plan assets must be less than \$50 million and there must be no Employee Stock Ownership Plan (ESOP).

<i>SERFF Tracking Number:</i>	<i>CHUB-125329120</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Federal Insurance Company</i>	<i>State Tracking Number:</i>	<i>AR-PC-07-026604</i>
<i>Company Tracking Number:</i>	<i>DO AR0037910R01</i>		
<i>TOI:</i>	<i>17.1 Other Liability - Claims Made Only</i>	<i>Sub-TOI:</i>	<i>17.1006 Directors &amp; Officers Liability</i>
<i>Product Name:</i>	<i>Health Care Portfolio</i>		
<i>Project Name/Number:</i>	<i>Separate Defense Costs Endorsements/00379</i>		

## Supporting Document Schedules

<b>Satisfied -Name:</b>	actuarial memo	<b>Review Status:</b>	
<b>Comments:</b>		Filed	10/31/2007
<b>Attachment:</b>			
Actuarial Memorandum.pdf			

## **Federal Insurance Company**

### **Health Care Portfolio<sup>SM</sup>**

#### **ACTUARIAL MEMORANDUM**

The purpose of this memo is to describe the separate defense cost endorsements and optional additional limit for executives that we are intending to add to the Health Care Portfolio product.

##### Separate Defense Cost

The endorsements provide an option for the insured to either purchase one separate defense cost limit for all of the liability coverages purchased or to purchase one separate defense cost limit for each liability coverage section purchased. Insureds can purchase either \$500K or \$1M in separate defense cost limits. The SDC factors were derived from the price that would be charged if the additional limit were for both defense and indemnity. The endorsements are intended for companies meeting the small size criteria outlined in the rating plan.

##### Additional Limit for Executives

The optional additional limit for executives coverage provide additional limit for the D&O coverage. There is a flat charge if this coverage is selected.